



## Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact [support@jstor.org](mailto:support@jstor.org).

## AMERICA'S UNEMPLOYMENT PROBLEM

BY HENRY BRUÈRE,

Chamberlain, New York City.

It is fallacious, of course, to assume that unemployment conditions in 1914-1915 were solely due to the European war. There prevailed in cities of the United States in 1913-1914, prior to the war, conditions of unemployment which were adjudged abnormal by such comparative information as was available. In 1915, conditions were aggravated due, in general, to the prolonged and increased stoppage of industry partly occasioned by the war. But it would prevent sincere thinking and vigorous constructive effort in regard to the unemployment problem to start with the premise that all unemployment is one of the consequences of war disturbance. The fact is that involuntary unemployment of large numbers of workers is a normal condition of our industrial life, varying, of course, with fluctuations in general industrial conditions. The further fact is that the chronic prevalence of involuntary unemployment has been one of increasing development for a period of years until now it regularly manifests itself in acute form in industrial centers during the winter months.

Dealing with the continuing problem of unemployment has, up-to-date, been generally ineffective and local, and unproductive of permanent results. This has been due to a variety of causes, the principal among them being the assumption that hard times are the sole occasion for unemployment and that temporary expedients, therefore, were all that the situation demanded. The item of encouragement in recent experience is the widespread attention that has been given to unemployment not as a problem of philanthropy, charity, or relief, but as one of industrial disarrangement. This attention has been given by committees of citizens appointed by mayors or governors or by wholly unofficial bodies in practically all of the industrial cities in the United States reaching from the Pacific coast to New England. Apart from the provision of temporary relief, the chief product of the efforts of these bodies has been, up-to-date, a series of reports framing more or less tentative con-

clusions upon generally inadequate data with regard to the scope, character and treatment of unemployment. These reports are beneficial and represent the thought on the matter which must inevitably precede constructive measures.

The committees on unemployment have necessarily given first thought to emergency relief of those who are distressed as a result of continued unemployment. In seeking to formulate preventive measures they have suggested the following steps, which I list in the order of the frequency of their occurrence in the recommendations of the committees whose reports I have analyzed:

1. Organization of state and municipal employment bureaus on an efficient basis;
2. Study of labor conditions and undertaking of municipal improvements and other public works during periods of industrial depression, to act as an impetus to the labor market and an incentive to business conditions generally;
3. Employment of citizens and residents as against outsiders, particularly on public contracts;
4. Adoption by employers generally of a policy of part time work in slack periods as against horizontal cuts in working forces;
5. Establishment of vocational training and trade schools;
6. Adoption of ordinances regulating private employment agencies, in order to eliminate the grave misrepresentation, extortion, and dishonest practices frequently complained of and found to prevail;
7. Making the peddling business financially easier so that industrial workers during times of unemployment in their regular activities would be enabled to earn a living;
8. Provision of insurance against unemployment;
9. Appointment of emergency advisory committees, consisting of representatives of railway, manufacturing, mercantile, banking, contracting and organized labor interests, to stimulate employment in private trade and industry;
10. Establishment of rural credits along the lines of European experience, to make farming more attractive and profitable; and the creation of rural organization after the type of the German Landwirtschaftsrat.

Partly as a by-product of the recent public discussion of unemployment and partly in response to a more general recognition of the inadequacy of private agencies, there has been in the past several years a notable extension of public employment offices. Within two years five states and two cities have established public employment offices along approved lines, the most notable examples being the city and state of New York. These agencies, together with the federal plan of employment registration recently instituted

by the department of labor through the post-office department, are the only concrete evidences of government interest in unemployment to date.

The regrettable fact is that there has been a conspicuous lack of attention to the fundamental questions involved in unemployment by either state or national governments. The Federal Commission on Industrial Relations and minority members of Congress have respectively proposed legislation for a federal system of employment bureaus, though the former failed to present its bill this year. But both state and national governments have as yet evidenced no adequate concern or made effective effort with respect to this great question which cannot be dealt with by cities or private organizations, but must be met by vigorous constructive action either by the state governments or by the federal government itself.

New York City's experience in the field of unemployment parallels the general experience of other industrial communities. In 1914, the city received an index of employment conditions through the rapidly increasing number of applicants in the municipal lodging house.

From attention to this condition there developed a community concern for the homeless man. This led to the discussion of the "jobless man" and this in turn gave rise to the consideration of general unemployment conditions. Conferences of various kinds were conducted in the city, but with the exception of voluminous discussion nothing was achieved but the establishment of a Municipal Employment Bureau by which the city itself, for the first time, gave evidence of community responsibility for dealing affirmatively with problems of unemployment. I need not go into the details of the establishment of this bureau, for the lines followed were those demonstrated as generally expedient and successful in other cities.

In 1914-1915, partly because of a considerable amount of agitation by the so-called radical element of the city, New York was generally prepared to give serious thought to unemployment. The organized charitable agencies were the first to attempt to meet the conditions resulting from unemployment. They were confronted with a rapid increase in demands for relief made by persons forced into destitution by prolonged unemployment. The city government was concerned with the problem from three angles:

1. The care of the homeless man;
2. The increase in applications for admission to public institutions of the dependent members of the community,—children and the aged and infirm;
3. The interest of the police in the prevention of disorderly assemblages and a repetition of acts of violence perpetrated in 1914, occasioned by the prevalence of large numbers of persons desperate or emotionally susceptible because of inability to find work.

Back of all of these factors there existed in the minds of the mayor and other officials of the city government a conviction that no haphazard treatment of the problem would lead to any consequential relief of distress or to the framing of any measurably effective plan either for the resumption of employment or the prevention of future unnecessary unemployment.

It was immediately apparent that adjustment could not be obtained by any of the parties chiefly concerned in the conditions leading to unemployment acting independently: (1) by the unemployed, because of their lack of organization, resources and means of obtaining employment; (2) by the charitable organizations because of the inadequacy of funds available for charitable relief; (3) by the city government because of the limitations of public funds and the impossibility of providing public employment for any appreciable number of the unemployed; (4) by the employers because of the absence of a policy, provision or method among employers, as such, for dealing with the general reserve of employables cast out of work by the stoppage of business or seasonal or other fluctuations in employment demands. In short, there was apparently a need for correlating by some means the resources and interest of all the parties immediately affected by unemployment conditions.

To meet this situation it was determined to establish a clearing house and a common instrument of coöperation through a committee representing not only the generally good and interested citizenship, but the different elements of the community who were affected by or had direct contact with unemployment conditions. Primarily, the large employers of labor and leaders in industry whose institutional policies might be presumed to have some effect upon the general business conditions were brought into the committee, under the chairmanship of ex-Judge Elbert H. Gary of the United States Steel Corporation. This committee was asked to deal with two problems: (1) The immediate emergent problem of providing relief or employment for those in distress; and (2) the formulation

of some plan to deal successfully with the causes of unemployment where they are remediable, with a view to subsequent diminution or prevention of unemployment.

Information regarding the efforts made by this committee during the past winter is available in the reports of the committee. Relief provided consisted principally in publicly supporting the efforts of private philanthropies to obtain funds, and in providing emergency employment through temporary workshops organized through volunteers in various parts of the city. These temporary workshops employed daily a maximum of 5,000 people and were maintained for three months from funds provided by private subscription. To stimulate employment numerous expedients were attempted. Employers were generally appealed to by circular, public meeting and conferences, to make special effort to furnish employment either by dividing work between a larger number of employees on part time as against a horizontal reduction of the working force, by manufacturing goods in anticipation of prospective demands, or by giving preference in employment to married employees. These appeals bore some fruit, but running as they did generally against the business interests or financial ability of the employer, they did not materially affect employment conditions. Similarly, the city, state and national governments were asked to expedite work already planned. In the case of the city department heads advanced contemplated work so that it might be performed during the period of greatest stress.

The first task in dealing constructively with unemployment, of course, is to obtain information of the number of unemployed. This was done in New York through a statistical canvass of representative industries, comparing employment conditions of 1913 with those of 1914, made by officers of the telephone company serving on the mayor's committee, and by means of an inquiry made by one of the large industrial insurance companies among their 800,000 New York City policyholders. The computations thus made based upon the nearly two and one-half million industrial workers in the city led to the conclusion that the unemployed totalled somewhere between 350,000 and 400,000<sup>1</sup> or approximately 16 per cent of the

<sup>1</sup>A check census made under the direction of the United States Bureau of Labor Statistics coöperating with the Mayor's Unemployment Committee in February, 1915, showed that this figure was approximately correct. The labor bureau estimated 398,000 as the number of workers other than casual workers unemployed.

total workers. This estimate, however, gives us no indication of the average number of the unemployed in so-called normal years, nor what proportion of this total is seasonably unemployed or intermittently unemployed. Nor was this total divided between male and female workers, or minors and adults. All such information should regularly be obtained by federal agencies with non-partisanship and zealous regard for accuracy.

For the purpose of this discussion the aggregate number of unemployed is irrelevant except as it bears upon the adequacy of relief measures adopted, and serves to stimulate community interest not easily aroused with respect to small questions. There are those who assume a fatalistic attitude towards this problem, and, reasoning from the general adventitious character of all classes of employment, conclude that unemployment can only be dealt with by the operation of the little understood and complex processes of industry, business and trade. These are, however, decidedly in the minority. It is clear, I think, that the prevailing public opinion of America is ready to support a constructive program for such alleviative, protective and preventive effort as may be instituted to minimize the wide fluctuations in opportunities for gaining a livelihood which occur in our industrial communities.

Obviously, clear thinking demands that we separate the problem into its various elements. This the New York committee has done, and is seeking to develop a program with respect to each one of these elements, which are substantially as follows:

1. Juvenile employees, involving industrial and vocational training and vocational guidance;
2. Seasonal occupation;
3. Itinerant workers, vagrants and the considerable group of casual workers classed as hoboos and described as homeless men;
4. Unemployable defectives who are unable to sustain prolonged periods of unemployment and who are unfitted for continuous productivity;
5. Immigrants whose energies and particular abilities the community at any particular moment is unable to absorb.
6. Unskilled workers thrown out of employment by more vigorous and lower paid immigrants;
7. Clerical and office employees whose number is generally in excess of employment opportunities and who are indiscriminately developed by schools;
8. The general class of casual workers including dock laborers, railroad construction employees and assistants in building operations, etc.;
9. The unemployed reserve of workers developed in the process of adjustment, migration, coming to working age, etc.

For each of these groups special methods of preventive or alleviatory action must be devised. In practically every case the relief will come only through constructive measures and persistent education. In this work effective leadership must be supplied either by the state or federal governments. Individual employers and groups of employers may take steps to regularize industry through the reduction of seasonal employment. Illustrations in this field are furnished by several industries in which beginnings at least have been made, such as the Dennison Manufacturing Company, the Plimpton Press, and here and there an employer in the garment trades. But regularization is still prospective rather than achieved.

New York and Boston have made beginnings in the systematic consideration by employers of employment questions, by the organization of employment managers associations looking to the development of a policy of employment, especially with reference to minors. Involved in this policy is the coöperation of employers with the public education authorities looking to cutting down on one side the heedless manufacture of unemployables by the schools, and on the other side to checking the ruthless discharge of employees for varieties of preventable causes.

I have space and time only for the most casual reference to other often discussed and needed measures for intelligent treatment of unemployment. Very adequate programs have been prepared by Dr. John B. Andrews, secretary of the American Association for Labor Legislation, and by Miss Frances A. Kellor in her recent book *Out of Work*. We are not so much in need of programs as we are of authoritative leadership and resulting effective action.

There has been much discussion of the possibility of timing public works so that they may fill the gaps of customary industrial inactivity. This can be done if ever political bodies come, as they should, to feel themselves a part of our general industrial system.

I am not hopeful of great benefit flowing from attempts to divert large numbers of the industrial population to the land. Here and there state departments of agriculture have made effective beginnings in supplying workers from cities to farmers, but this will not prove successful until attention is given to conditions of rural employment and to farm life such as has been from time to time suggested, but has not yet been achieved.

Of all the constructive plans yet suggested susceptible of im-



mediate adoption the one that has met the most general approval relates to the provision of a federal system of public employment offices. It is proposed to coördinate this national plan with state and local officers. This plan is looked on askance by certain groups and leaders of organized labor on the very proper ground of its possible perversion into an immigrant distribution agency. This danger can, however, be avoided if proper supervision is exercised over the administration of the agencies. Clearly they should not be used to break down wage standards through the arbitrary importation of competitive workers. They must be utilized to supplement a national policy for promoting the welfare of the American laborer as expressed in the recent establishment of a separate department of labor in the federal government. America is pretty generally convinced at all events that the time has come to supplant organization for confusion in the methods of bringing workers and work together. This conviction has spread so far that it has been crystallized in a phrase now commonplace, the linking of the "jobless man with the manless job." The next Congress will undoubtedly be called to give very earnest attention to the passage of a bill putting into effect plans for a national system of employment offices formulated by the Industrial Relations Commission or some other branch of the government.

Unquestionably we shall accept as the next step the results of European experience and establish unemployment insurance as a part of the general scheme of social insurance. We cannot assume that any regularization in the periods of employment and in the timing of public works will offset the forces which now operate to produce unemployment at certain periods in the year. Unemployment will continue in the building trades and other operations which are affected by climatic conditions. Unemployment will occur individually in every other line of occupation because of business reverses, the operation of competition now placed on a pedestal of beneficence, and other forces whose interplay make up the complexity of our industrial life. Against these conditions there are available only savings, charity, neighborly or family help, or insurance. My own conviction is that the principle of insurance will be applied to this casual but reasonably to be expected element in our national life as it has been to industrial injuries. There awaits merely sufficient public discussion, agitation and leadership to put

into effect in the American commonwealth a program similar to the Liberal program of the British government.

The other measures to which I have briefly referred must continue to play their part in the general betterment of employment conditions, but their effect will be slowly realized and, though cumulative, they cannot be counted on immediately to diminish employment disorganization.

America in common with every industrial nation must look upon employment, namely the resumption of business activity, as the chief means of preventing unemployment. The problem confronting business and statesmanship is first, the maintenance of industrial activity, second, the protection of workers against fluctuations in employment and, finally, the better organization of the available working forces. America must more consciously plan for the welfare of its workers, for after all, prosperity and national expansion are not genuine benefits unless they include a general betterment of employment conditions. The causes of industrial depression are inevitably involved in political policies and must inevitably be dealt with in political discussion, but underlying the general influence of governmental policies are these various factors of employment policies and conditions which must be dealt with primarily by intelligent employers, organized employees and finally by interested communities through their schools and other public agencies.

It is time for us in America to recognize that we are substantially an industrial nation, that prosperity is not perpetual, and, under our present industrial system there is always, even in times of prosperity, a considerable number of individuals who are cast out of employment or who are unable for one reason or another to find employment. For all workers, industrial education, vocational guidance and just employment policies must be provided and developed; for workers seeking work when work is available, employment exchanges; for workers periodically out of work, unemployment insurance; for workers cast out of work due to exceptional conditions in industry, a further remedy must be provided, namely, some form of relief. The best form of relief is temporary employment. New York's experience in 1915 indicates the desirability of providing emergency work of some productive character organized coöperatively or on the basis of relief from which the unemployed may derive means of support during prolonged periods of idleness.

This work must be of such a character that it will not tend to depress wages, demoralize the workers, or lead to any form of exploitation. This temporary employment may properly be provided by state, national and municipal governments and through private contributions. For certain classes of employees, those who represent the stable working forces of the community, this relief employment should be supported by employers of the community, collectively, on the theory that it is to their interest to maintain an efficient labor community, and that the tiding over of the unemployed during periods of prolonged idleness is a proper charge on industry to the extent that those unemployed are normally and regularly participants in the established industrial activities of the community.

I realize, however, that in all probability as a practical matter funds for this purpose must be provided either by governments or by voluntary subscription of the charitable public.

Insurance against unemployment must be a matter of authoritative governmental arrangement. Details of its administration will have to be carefully worked out to apply to American conditions.

It is of crucial importance that the nation should be prepared to deal with unemployment along some substantial lines before the next crisis appears. There is now wanting a common practice among neighboring cities in regard to such problems as vagrancy and homeless men. States and cities have no definite policy with regard to timing public works to assist in periods of distress and there is no systematic interchange of information between state departments of agriculture respecting farm work opportunities. An industrial nation, we are dealing with this industrial problem within state lines and hence are dealing with it ineffectively and without adequate comprehension.

My suggestion is that the situation is one which would warrant the President of the United States in calling together governors and mayors of the principal industrial states and cities and discussing with them a national program, first, of immediate, and second, of far-reaching action. This can be done without creating uneasiness in the minds of the business community regarding the business outlook. Unless some authoritative consideration is given to this question now, we shall pass through another period of floundering, vain effort and wrangling discussion.

To summarize, the principal points that I have attempted to make in this discussion are:

1. Unemployment is now generally regarded by the press, by economists, and by the leaders of public opinion who are conveniently classed as publicists, as an industrial and social problem and not as a phase of the poverty or charity problem.

2. Unemployment, though exaggerated in times of industrial depression, is known to be continuous with respect to large numbers of workers and recurrent with respect to so-called seasonal occupations.

3. Temporary expedients and makeshift remedies have conclusively shown themselves to be inadequate.

4. Statesmanship has not yet included unemployment among the objects of its concern, and state and national governments have for the most part failed to consider or to equip themselves to consider constructive measures in respect to preventing or remedying unemployment.

5. Industry as such, and labor as such, are now beginning to give thought to developing and putting into effect measures not only to mitigate unemployment but measurably to prevent its regular recurrence. But without aggressive leadership on the part of government, effective measures are not likely to be adopted.

6. Enough is known regarding the causes and nature of unemployment, and enough experience has been gained and experiments tried to furnish the basis for courageous, positive effort on the part of national and state governments.

7. Although effects of unemployment manifest themselves chiefly in cities, cities as such are not equipped with resources, influence, or contact to take leadership in the removal of causes and the provision of remedies. But city governments here and there are recognizing their relation to the industrial life of their communities, and are endeavoring to provide means for promoting industrial welfare, including the relief of unemployment and the better organization of the labor market through the establishment of employment bureaus. It is not to the credit of state and federal governments that the cities have to date furnished leadership which those better equipped and more authoritative governmental agencies have failed to supply.

8. No single plan or suggestion will be adequate to cure unem-

ployment. What can be done is to regularize work, to time public works to fit into industrial gaps, to deal separately with the unemployed and the unemployable, to formulate and put into effect a policy with regard to employment, education, social insurance and other measures that will put the nation on the offensive instead of keeping it continuously on the defensive in regard to this most dangerous of all its enemies, the worklessness of willing and able workers.

9. Unemployment is inextricably involved in the general industrial conditions of the country which are affected by war, radical changes in the economic policy of the country, disorganization of industry and the inevitable conflicts resulting from the development of an economic policy, just to workers as well as to employers and acceptable to the general public. But there is only delusion in the belief that all unemployment will disappear with the return of those conditions which we habitually sum up in the word prosperity, for these reasons:

a. In normal times the labor market is continuously being disorganized through the lack of a national policy with regard to immigration;

b. The workers of America are kept in ignorance of work opportunities at points distant from their places of abode due to the lack of an adequate system of intelligence regarding employment opportunities throughout their immediate localities and in more remote parts of the country;

c. The labor market is still regarded as an inexhaustible reservoir to be treated much as we have traditionally treated other great national resources. Isolated seasonal trades, lack of training in industrial and manual activities, lack of vocational guidance, and incomplete provision of public employment bureaus, are some of the continuing causes of unemployment which it is possible to remedy and which prosperity waves do not obliterate.

New York City, the states of New York, Massachusetts and Wisconsin, and here and there other states, have established a modern system of employment bureaus. In New York some employers are turning their attention to the continuing problems of unemployment with the coöperation of workers and social scientists.

In New York, through the Gary committee on unemployment appointed by the mayor, facts are being obtained to furnish a basis for intelligent thinking about a problem easily shrouded with false impressions and vague generalizations.

What is now needed is the entrance into the field of a vigorous

national agency to provide facts, suggestions and leadership, making available to all America the experience of the world, or any community or industrial enterprise in America, in combating this most iniquitous of all social evils, the economic ostracism we call unemployment.